

Scientific opinion poll: Asian American/Pacific Islander small business owners continue to struggle during COVID-19 pandemic

Nearly a year into the COVID-19 pandemic that has devastated our country and economy, small businesses, especially those owned by people of color, continue to face significant challenges in keeping their businesses afloat. New opinion polling reveals the disproportionate impact of the economic crisis on small business owners of color, particularly Asian American/Pacific Islander (AAPI) entrepreneurs. The poll of 150 AAPI small business owners around the country, conducted online in November 2020 as part of a [larger national survey of small businesses](#), sheds an important light on how AAPI small business owners navigated the first round of federal relief and what they need to survive the ongoing crisis.

Overall, many AAPI small business owners are facing difficulties maintaining their businesses during the pandemic and economic slowdown. More than **6 in 10 (63%) say the COVID-19 pandemic has had a negative effect on their business**, compared to 59% of all small business owners nationwide.

- 66% say their revenue declined during the height of the pandemic and economic shutdown.
- 52% say that their revenue at this point in the year has declined, compared to the same time last year.
- 50% say their operating capacity has decreased.

Additionally, AAPI entrepreneurs have taken dramatic steps to help their business get through the economic downturn:

- 35% have cut employee hours
- 32% have closed their business temporarily (compared to 24% of all small business owners)
- 30% have reduced wages or compensation
- 30% have changed their business model dramatically (compared to 21% of all)
- 27% have experienced supply chain disruptions
- 22% have temporarily furloughed employees
- 18% have laid off employees permanently (compared to 10% of all)
- 17% have closed an office or location of their business (compared to 8% of all)
- 8% have closed their business permanently

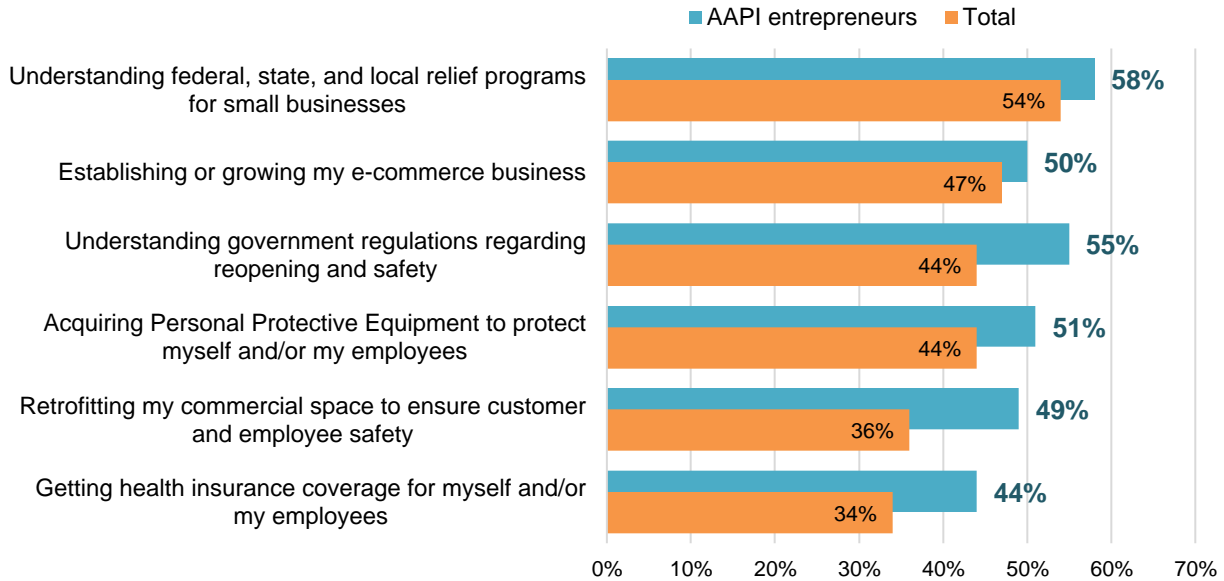
Importantly, more than half of AAPI entrepreneurs (55%) who furloughed or laid off staff have not yet restored their employee headcount to pre-pandemic levels. What's more, **AAPI entrepreneurs anticipate they will need to make more changes in the next three months** to adjust to the economic situation, with 11% reporting they're facing permanent closure.

- 41% expect to change their business model dramatically (compared to 31% of all)
- 38% may cut employee hours (compared to 32% of all)
- 37% expect supply chain disruptions
- 35% anticipate reducing wages or compensation (compared to 27% of all)
- 34% may temporarily furlough employees (compared to 21% of all), and 26% expect they will be forced to lay off employees permanently (compared to 16% of all)
- 25% may be forced to close temporarily (compared to 22% of all)

- 21% expect to close an office or location (compared to 15% of all), and 18% may attempt to sell their business

Yet, 34% say it's likely they will expand business operations, and 30% say it's likely they will add employees.

Figure 1: AAPI entrepreneurs have faced challenges sustaining their businesses.



Of the 76% of AAPI entrepreneurs who own or rent their commercial space, 55% report that it's difficult to make their rent or mortgage payment. Nearly 4 in 10 (38%) have negotiated a delay, suspension or deferral of their payments (compared to 24% of all small businesses). Nearly one-third (29%) have attempted to negotiate their payments but didn't receive a reprieve (compared to 19% of all). More than half (52%) anticipate difficulty paying for their commercial space in the next six months.

Nearly one-third (30%) have missed loan and debt payments since the pandemic, compared to 19% of all small business owners, and 28% are currently behind in making payments (compared to 18% of all).

Half of AAPI entrepreneurs (50%) applied for the federal Paycheck Protection Program last year. Of those surveyed who applied, half (51%) said the PPP application process was difficult.

- Of those who applied, 80% said they received the loan.
- Only 23% said they received the full amount they requested, compared to 33% of all small businesses.
- 76% have applied for PPP loan forgiveness and 64% were approved. Of those who didn't apply for forgiveness, 62% said they were confused about the process, compared to 23% of all small business owners.

Small business owners had another avenue for federal funding assistance, the Economic Injury Disaster Loan (EIDL) program. More than one-third (35%) AAPI small business owners say they applied for an EIDL in 2020, compared to 21% of all small business owners.

- 73% of AAPI entrepreneurs who applied received the loan.
- 82% who applied received the EIDL advance of up to \$10,000, compared to 70% of all.

Most AAPI small business owners (71%) also benefitted from the federal economic stimulus that was sent to U.S. households in spring 2020, near the start of the pandemic. Of those who received a payment, 69% used at least part of the money to support their business, compared to 56% of all small business owners.

Methodology

This poll is an oversample of 150 AAPI small business owners that was part of a [larger national survey](#) of 500 small business owners with up to 100 employees.¹ The poll was an online survey conducted by Lake Research Partners for Small Business Majority between Nov. 10-23, 2020. The margin of error for the national survey is +/-4.4%.

Survey topline

Unless otherwise noted, the topline below show the % of responses.

	<i>Weighted N=</i>	<i>Total AAPI</i>
	500	45
1. Approximately how many people were on your company’s payroll a year ago, including yourself?		
1	26	26
2 - 4	28	22
5 - 9	16	14
10 - 19	13	13
20 - 49	9	17
50 - 100	8	9
2. What is your gender?		
Male.....	63	48
Female	36	50
Prefer to self-identify	1	2
3. To make sure we have a representative sample, please choose one or more of these racial or ethnic groups that you identify with.		
Asian American or Pacific Islander	9	100
4. Now thinking about the COVID-19 pandemic, how has your business been affected overall by the pandemic?		
Negative effect – strong	28	28
Negative effect – not so strong	32	36
Not affected negatively or positively	25	21
Positive effect – not so strong	6	12
Positive effect – strong	8	4
Not sure	1	0
5. Thinking about the height of the pandemic and economic shutdown this year, would you say that your revenue during that period declined, stayed the same, or increased compared to the same time last year?		
Declined	59	66
Stayed the same	29	25
Increased	11	9
Not sure	1	0

¹ Small Businesses Continue to Face Closures in 2021, Small Business Majority, January 27, 2021, <https://smallbusinessmajority.org/our-research/small-businesses-continue-face-closures-2021>

6. **Now thinking about today, would you say that your revenue at this point in the year has declined, stayed the same, or increased compared to the same time last year?**

Declined	52	52
Stayed the same	33	30
Increased	14	15
Not sure	1	3

7. **Thinking about today, how much would you say that your revenue at this point in the year has declined compared to the same time last year?**

	<i>Weighted N=</i>	<i>259</i>	<i>23</i>
Declined by 10% or less	18		30
Declined by 11-25%	30		25
Declined by 26-50%	22		19
Declined by 51-75%	16		10
Declined by 76-90%	6		8
Declined by more than 90%	7		3
Not sure	1		4

8. **Thinking about today, at what capacity do you think your business is operating compared to the same time last year?** (Operating capacity is the amount of business you can conduct under reasonable operating conditions.)

Increased by 50% or more	7	6
Increased by less than 50%	11	16
No change	38	23
Decreased by less than 50%	28	35
Decreased by 50% or more	14	15
Not sure	2	5

9. **During the pandemic and economic downturn, have you done any of the following?**
Check all that apply

Cut employee hours	32	35
Experienced supply chain disruptions	25	27
Closed my business temporarily	24	32
Changed my business model dramatically	21	30
Reduced wages or compensation	21	30
Temporarily furloughed employees	18	22
Laid off employees permanently	10	18
Closed an office or location of my business	8	17
Closed my business permanently	4	8
None of the above	28	16

10. What percentage of staff did you furlough or lay off during the height of the pandemic and economic downturn? (Asked of those who said they furloughed or laid off staff)

	<i>Weighted N=</i>	<i>117</i>	<i>15</i>
Less than 10%	12		16
11-25%	24		22
26-50%	20		29
51-75%	19		11
76-90%	7		15
More than 90%	16		8
Not sure	2		0

11. Have you restored your employee headcount to pre-pandemic levels? (Asked of those who said they furloughed or laid off staff)

	<i>Weighted N=</i>	<i>117</i>	<i>15</i>
Yes	40		44
No	60		55
Not sure	0		1

12. Looking ahead to the next three months, how likely is it that your business will do the following:

Add employees

Very likely	9	14
Somewhat likely	13	17
Somewhat unlikely	15	14
Very unlikely	44	37
Not applicable to my business	15	14
Not sure	4	5

Close permanently

Very likely	6	3
Somewhat likely	8	8
Somewhat unlikely	13	24
Very unlikely	54	42
Not applicable to my business	12	13
Not sure	7	9

Close temporarily

Very likely	10	8
Somewhat likely	13	18
Somewhat unlikely	15	20
Very unlikely	44	36
Not applicable to my business	12	13
Not sure	6	6

Close an office or location		
Very likely	7	9
Somewhat likely	8	12
Somewhat unlikely	12	19
Very unlikely	38	26
Not applicable to my business	31	29
Not sure	4	6
Experience supply chain disruptions		
Very likely	14	15
Somewhat likely	21	22
Somewhat unlikely	16	18
Very unlikely	22	20
Not applicable to my business	21	20
Not sure	6	5
Change business model dramatically		
Very likely	14	19
Somewhat likely	17	23
Somewhat unlikely	15	16
Very unlikely	36	23
Not applicable to my business	11	16
Not sure	7	4
Temporarily furlough employees		
Very likely	9	15
Somewhat likely	11	20
Somewhat unlikely	14	10
Very unlikely	32	23
Not applicable to my business	27	26
Not sure	7	6
Lay off employees permanently		
Very likely	7	10
Somewhat likely	9	17
Somewhat unlikely	12	14
Very unlikely	39	28
Not applicable to my business	27	25
Not sure	6	6
Cut employee hours		
Very likely	12	16
Somewhat likely	20	21
Somewhat unlikely	15	17
Very unlikely	27	23
Not applicable to my business	22	18
Not sure	5	5

Reduce wages or compensation

Very likely	12	15
Somewhat likely	15	21
Somewhat unlikely	16	13
Very unlikely	33	25
Not applicable to my business	18	16
Not sure	7	10

Attempt to sell your business

Very likely	6	5
Somewhat likely	9	12
Somewhat unlikely	9	21
Very unlikely	54	37
Not applicable to my business	17	19
Not sure	5	5

Expand business operations

Very likely	12	14
Somewhat likely	19	20
Somewhat unlikely	18	16
Very unlikely	39	34
Not applicable to my business	9	10

13. **Please indicate whether each of the following has been a major challenge, minor challenge, or not a challenge for your business during the pandemic and economic downturn.**

Establishing or growing my e-commerce business

Major challenge	21	25
Minor challenge	26	24
Not a challenge	22	24
Not applicable to my business	30	24
Not sure	2	2

Acquiring Personal Protective Equipment to protect myself and/or my employees

Major challenge	15	18
Minor challenge	29	33
Not a challenge	37	30
Not applicable to my business	19	18
Not sure	2	1

Retrofitting my commercial space to ensure customer and employee safety

Major challenge	14	22
Minor challenge	22	27
Not a challenge	26	24
Not applicable to my business	36	24
Not sure	2	2

Understanding government regulations regarding reopening and safety		
Major challenge	16	19
Minor challenge	28	37
Not a challenge	36	20
Not applicable to my business	18	22
Not sure	2	3
Getting health insurance coverage for myself and/or my employees		
Major challenge	16	18
Minor challenge	18	25
Not a challenge	36	28
Not applicable to my business	28	24
Not sure	2	3
Understanding federal, state, and local relief programs for small businesses		
Major challenge	22	24
Minor challenge	33	35
Not a challenge	29	22
Not applicable to my business	14	17
Not sure	2	3
Switching to a remote work environment		
Major challenge	15	16
Minor challenge	21	28
Not a challenge	32	28
Not applicable to my business	31	27
Not sure	1	2
Availability of employees able to work		
Major challenge	14	13
Minor challenge	23	30
Not a challenge	38	34
Not applicable to my business	23	21
Not sure	2	2
14. Do you rent or own one or more commercial spaces for your business?		
Yes – rent	28	45
Yes – own	34	31
Do not rent or own commercial space	37	24
Not sure	1	1
15. How difficult is it for your business currently to make your rent or mortgage payments? (Asked of those who said they rent or own)		
	<i>Weighted N=</i>	
	<i>310</i>	<i>34</i>
Very difficult	16	20
Somewhat difficult	28	35
Not too difficult	30	35
Not difficult at all	26	10
Not sure	0	0

16. Have you negotiated or attempted to negotiate a delay, suspension, or deferral of your rent or mortgage from your landlord or lending institution? (Asked of those who rent or own)

	<i>Weighted N=</i>	<i>310</i>	<i>34</i>
Yes – negotiated a delay, suspension, or deferral	24		38
Yes – attempted to negotiate but did not get a delay, suspension, or deferral	19		29
Have not attempted to negotiate	56		29
Not sure	1		3

17. In the next 6 months, how difficult do you anticipate it will be to pay your rent or mortgage? (Asked of those who rent or own)

	<i>Weighted N=</i>	<i>310</i>	<i>34</i>
Very difficult	15		21
Somewhat difficult	26		31
Not too difficult	29		37
Not difficult at all	27		11
Not sure	3		0

18. Since the pandemic, has your business missed any loan or other debt payments?

Yes	19	30
No	79	68
Not sure	2	2

19. Are you currently behind on loans or other debt payments for your business?

Yes	18	28
No	80	71
Not sure	2	2

20. As you may know, the Paycheck Protection Program is a new type of Small Business Administration loan created in 2020 to help businesses keep their workforce employed during the coronavirus crisis. Have you applied for a Paycheck Protection Program (PPP) loan this year?

Yes	30	50
No	67	47
Not sure	2	3

21. How difficult was the application process for the Paycheck Protection Program (PPP) loan? (Asked of those who said they applied)

	<i>Weighted N=</i>	<i>152</i>	<i>22</i>
Very difficult	22		15
Somewhat difficult	35		36
Not too difficult	29		39
Not difficult at all	14		10
Not sure	0		0

22. Have you received a Paycheck Protection Program (PPP) loan? (Asked of those who applied)

	<i>Weighted N=</i>	<i>152</i>	<i>22</i>
Yes	76		80
No	22		20
Not sure	2		0

23. **Of the amount you requested for your Paycheck Protection Program (PPP) loan, what percentage did you receive?** (Asked of those who said they received the loan)

	<i>Weighted N=</i>	<i>116</i>	<i>18</i>
100%	33		23
75-99%	26		34
50-74%	28		31
25-49%.....	7		6
1-24%	2		2
Not sure	3		3

24. **Have you applied for this loan to be forgiven?** (Asked of those who said they received the loan)

	<i>Weighted N=</i>	<i>116</i>	<i>18</i>
Yes	68		75
No	32		25
Not sure	1		0

25. **Have you received approval for your Paycheck Protection Program (PPP) loan to be forgiven?** (Asked of those who said they applied for forgiveness)

	<i>Weighted N=</i>	<i>78</i>	<i>13</i>
Yes	74		64
No	21		24
Not sure	5		12

26. **Which of the following reasons best describes why you have not applied for your Paycheck Protection Program (PPP) loan to be forgiven? Select all that apply.** (Asked of those who did not apply for forgiveness)

	<i>Weighted N=</i>	<i>37</i>	<i>4</i>
I am still using the PPP funds	45		37
I expect Congress to pass automatic forgiveness for my loan	27		17
My bank is not accepting forgiveness applications	27		5
I am confused about the process	23		62
Other	4		0
Not sure	3		0

27. **Which of the following are reasons you did not apply for the loan? Select all that apply.** (Asked of those who did not apply for the loan)

	<i>Weighted N=</i>	<i>336</i>	<i>21</i>
I didn't need the funds	44		46
I was concerned about taking on debt	31		25
I thought or was told my business was ineligible	25		21
I was concerned the loan wouldn't be forgiven	21		19
I could not find a bank to accept my application.....	5		12
Other	5		6
Not sure	4		5

28. As you may know, the Economic Injury Disaster Loan (EIDL) provides relief to small businesses and non-profit organizations that are currently experiencing a temporary loss of revenue.

Have you applied for the Economic Injury Disaster Loan (EIDL) this year?

Yes	21	35
No	75	61
Not sure	4	3

29. **Did you receive an EIDL?** (Asked of those who applied for the EIDL)

Weighted N= 105 16

Yes	70	73
No	26	27
Not sure	4	0

30. **Did you receive the EIDL advance (up to \$10,000)?** (Asked of those who applied for the EIDL)

Weighted N= 105 16

Yes	70	82
No	28	18
Not sure	2	1

31. **Did you receive an economic stimulus payment from the federal government that was sent to every U.S. household near the beginning of the pandemic?**

Yes	73	71
No	25	29
Not sure	2	0

32. **Did you use any part of the stimulus payment to support your business?** (Asked of those who received a stimulus payment)

Weighted N= 367 32

Yes	56	69
No	42	30
Not sure	1	1

33. **Since the pandemic started in March 2020, please indicate if you have maintained, eliminated, reduced, or expanded the following benefits for yourself and/or your employees.** If you have taken different actions for different employees (ie: maintained for some and reduced for others), please mark the option that applies to the greatest number of employees.

Health insurance

Maintained	39	34
Eliminated	5	11
Reduced	8	18
Expanded	5	8
Did not offer before the pandemic	43	30

Retirement plan

Maintained	30	31
Eliminated	6	12
Reduced	9	14
Expanded	3	7
Did not offer before the pandemic	52	36

Sick days

Maintained	35	31
Eliminated	8	18
Reduced	10	15
Expanded	7	8
Did not offer before the pandemic	40	27

Family leave

Maintained	32	28
Eliminated	8	15
Reduced	7	18
Expanded	5	6
Did not offer before the pandemic	48	33

Workers' compensation

Maintained	39	37
Eliminated	5	13
Reduced	11	21
Expanded	4	5
Did not offer before the pandemic	40	24

Disability insurance

Maintained	27	21
Eliminated	6	15
Reduced	9	14
Expanded	3	8
Did not offer before the pandemic	55	43

34. Have you decreased employer contribution to healthcare coverage or moved to a plan with a lower premium? (Asked of those who reduced their health care benefits)

	<i>Weighted N=</i>	<i>41</i>	<i>8</i>
Decreased employer contribution	36		19
Moved to plan with lower premium	56		73
Other	4		4
Not sure	4		4

35. Have you maintained healthcare coverage for furloughed employees?

Yes	27	43
No	13	16
N/A	59	40
Not sure	1	1

36. Do you plan to make any changes or reductions in healthcare coverage for employees in the next few months?

Yes	16	30
No	36	35
N/A	40	27
Not sure	8	8

37. **Now you are going to see some things that businesses might need help with right now to survive and grow during the pandemic and economic crisis.** On a scale of 0-10 where 0 is not at all useful and 10 is extremely useful, how useful would you find help in the following areas?

Pivoting my business to offer a new product and/or service

Mean (On a scale of 0-10).....	5.9	6.7
10 – Extremely useful.....	15	12
8 - 9	22	32
6 - 7	20	25
5 - Neutral.....	8	9
1 - 4	14	13
0 – Not at all useful	14	5
Not sure	6	4

Accessing capital

Mean (On a scale of 0-10).....	6.5	6.9
10 – Extremely useful.....	22	15
8 - 9	22	30
6 - 7	19	22
5 - Neutral.....	9	10
1 - 4	13	15
0 – Not at all useful	9	1
Not sure	7	7

Building my online presence

Mean (On a scale of 0-10).....	6.9	7.3
10 – Extremely useful.....	26	21
8 - 9	28	29
6 - 7	16	26
5 - Neutral.....	7	6
1 - 4	8	10
0 – Not at all useful	10	2
Not sure	5	5

Selling my products/services online

Mean (On a scale of 0-10).....	6.4	7.2
10 – Extremely useful.....	24	26
8 - 9	24	28
6 - 7	15	17
5 - Neutral.....	6	8
1 - 4	10	15
0 – Not at all useful	14	2
Not sure	6	4

Attracting customers

Mean (On a scale of 0-10).....	7.9	7.6
10 – Extremely useful.....	37	27
8 - 9	30	32
6 - 7	12	23
5 - Neutral.....	7	4
1 - 4	6	9
0 – Not at all useful	3	2
Not sure	5	2

Maintaining benefits

Mean (On a scale of 0-10).....	6.2	6.7
10 – Extremely useful.....	20	13
8 - 9	22	29
6 - 7	17	22
5 - Neutral.....	9	10
1 - 4	10	13
0 – Not at all useful	13	4
Not sure	9	8

Debt relief

Mean (On a scale of 0-10).....	6.3	6.9
10 – Extremely useful.....	27	28
8 - 9	20	25
6 - 7	14	19
5 - Neutral.....	8	5
1 - 4	11	13
0 – Not at all useful	15	7
Not sure	5	2

Improving health and safety

Mean (On a scale of 0-10).....	6.8	7.3
10 – Extremely useful.....	24	17
8 - 9	24	40
6 - 7	17	18
5 - Neutral.....	10	8
1 - 4	9	9
0 – Not at all useful	9	4
Not sure	7	5

Accessing new supply chains

Mean (On a scale of 0-10).....	5.9	6.5
10 – Extremely useful.....	16	11
8 - 9	21	30
6 - 7	18	21
5 - Neutral.....	8	10
1 - 4	14	14
0 – Not at all useful	13	5
Not sure	10	9

38. **Now you are going to see some ideas about what Congress and state lawmakers can do to help small businesses like yours survive and grow.** For each of the following please indicate if you support or oppose that idea on a scale of 0 to 10 where 0 means you strongly oppose and 10 means you strongly support.

Providing direct grant assistance to small businesses

Mean (On a scale of 0-10).....	8.0	7.8
10 – Strongly support.....	36	26
8 - 9	25	36
6 - 7	17	24
5 - Neutral.....	8	4
1 - 4	4	6
0 – Strongly oppose	2	1
Not sure	7	2

Automatically forgiving Paycheck Protection Program (PPP) loans under \$150,000

Mean (On a scale of 0-10).....	7.4	7.6
10 – Strongly support.....	32	29
8 - 9	22	28
6 - 7	15	18
5 - Neutral.....	7	12
1 - 4	8	7
0 – Strongly oppose	5	2
Not sure	11	4

Converting Economic Injury Disaster Loan (EIDL) loans under \$150,000 to grants

Mean (On a scale of 0-10).....	7.4	7.6
10 – Strongly support.....	27	20
8 - 9	25	40
6 - 7	15	18
5 - Neutral.....	7	5
1 - 4	8	9
0 – Strongly oppose	4	1
Not sure	15	7

Providing another round of Paycheck Protection Program (PPP) loans

Mean (On a scale of 0-10).....	7.6	7.7
10 – Strongly support	32	29
8 - 9	23	27
6 - 7	16	23
5 - Neutral.....	10	11
1 - 4	6	5
0 – Strongly oppose	3	1
Not sure	11	4

Extend Truth in Lending Act disclosure requirements to small business credit products

Mean (On a scale of 0-10).....	7.5	7.4
10 – Strongly support	22	19
8 - 9	23	32
6 - 7	20	18
5 - Neutral.....	10	9
1 - 4	5	8
0 – Strongly oppose	2	1
Not sure	18	13

Significantly expand small business technical assistance programs

Mean (On a scale of 0-10).....	7.4	7.4
10 – Strongly support	22	17
8 - 9	28	36
6 - 7	19	28
5 - Neutral.....	11	6
1 - 4	6	7
0 – Strongly oppose	2	2
Not sure	12	4

Enact a rent and/or mortgage moratorium for small businesses

Mean (On a scale of 0-10).....	7.0	7.6
10 – Strongly support	23	26
8 - 9	23	32
6 - 7	17	20
5 – Neutral.....	9	9
1 - 4	9	8
0 – Strongly oppose	6	1
Not sure	13	5

Freeze or cap unemployment insurance taxes

Mean (On a scale of 0-10).....	7.3	7.5
10 – Strongly support	24	24
8 - 9	24	33
6 - 7	18	20
5 – Neutral.....	9	5
1 - 4	8	9
0 – Strongly oppose	4	2
Not sure	13	7

Reimburse businesses immediately for providing sick leave and family leave, instead of offering a tax break

Mean (On a scale of 0-10).....	7.2	7.5
10 – Strongly support	23	22
8 - 9	24	31
6 - 7	17	23
5 – Neutral.....	9	9
1 - 4	8	7
0 – Strongly oppose	5	1
Not sure	13	7

Provide partial wage replacement for small business employees and the self-employed

Mean (On a scale of 0-10).....	7.7	7.6
10 – Strongly support	30	22
8 - 9	29	38
6 - 7	16	19
5 – Neutral.....	9	11
1 - 4	6	6
0 – Strongly oppose	2	1
Not sure	9	4